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Message Text

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PAGE 01 NEW DE 13898 131102Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 INR-10 SS-15 SP-02 /046 W
----------106699 131120Z /12
R 130625Z SEP 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 3935

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STADIS//////////////////

FOL IS BOMBAY CONTEL 2266 DTD SEP 11, 1978 SIGNED COURTNEY RPTD YOU

QUOTE

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E. O. 11652: N/A
TAGS: EINV
SUBJECT: FOREIGN INVESTMENT

1. AT A POST-LUNCHEON DISCUSSION BY A SMALL GROUP OF LEADING INDIAN INDUSTRIALISTS ASSEMBLED BY TATAS ON SEPTEMBER 9, ORVILLE FREEMAN AND I.G. PATEL, GOVERNOR OF THE RESERVE BANK OF INDIA, HAD A SHARP EXCHANGE OVER GOI INVESTMENT POLICY AND PRACTICE. WHEN FREEMAN RESPONDED TO AN INDIAN QUESTION ABOUT PROSPECTS FOR FOREIGN INVESTMENT IN INDIA BY SAYING THAT THESE PROSPECTS WERE MINIMAL, GOVERNOR PATEL WAS MOVED TO RETORT THAT WHETHER FOREIGNERS LIKE IT OR NOT INDIANS WERE NOT GOING CHANGE THEIR ATTITUDE TOWARD FOREIGN INVESTMENT; IF FOREIGNERS WANTED TO INVEST IN INDIA THEY WOULD HAVE TO DO SO ON INDIAN TERMS AND THE GOI WAS NOT GOING TO MAKE ANY SPECIAL EFFORTS TO ATTRACT THEM. WHEN FREEMAN REPLIED THATMANY COUNTRIES, INCLUDING MOST ASIAN ONES, WERE PUTTING OUT THE WELCOME MAT, PATEL SAID THAT THIS WAS NOT THE INDIAN STYLE OR PRACTICE AND HE DID NOT EXPECT INDIANS TO CHANGE ATTITUDES THAT HAVE BEEN IN-
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GRAINED FOR HUNDREDS OF YEARS JUST TO PLEASE FOREIGN INVESTORS.

2. SHORTLY AFTER THIS PATEL LEFT THE LUNCHEON GATHERING PREMATURELY AND FREEMAN CHARACTERIZED HIS REMARKS AS CONTAINING "A BIT OF ARROGANCE". LATER THAT EVENING FREEMAN TOLD ME HE WAS GOING TO PURSUE THIS POINT IN HIS SPEECH AT THE IACC TODAY AND HE DID SO POINTING UP THAT INDIA HAS A BAD REPUTATION

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ABROAD IN THE INTERNATIONAL BUSINESS COMMUNITY AND IS MAKING IT
WORSE ALMOST DAY-BY-DAY BY ITS ATTACKS ON BUSINESS WHETHER
IN THE MULTI-NATIONALS OR IN THE BIG INDIAN BUSINESS HOUSES.
HE CONCLUDED THAT INDIA IS MISSING AN OPPORTUNITY TO TAP LARGE
RESOURCES THAT COULD HELP ENORMOUSLY IN MEETING CRYING NEEDS FOR
DEVELOPMENT THAT WOULD OPEN UP OPPORTUNITIES FOR THE 500 MILLION
PEOPLE IN THE COUNTRY WHO ARE LIVING AT THE SUBSISTENCE LEVEL.
COURTNEY

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Message Attributes

Automatic Decaptioning: Z
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Channel Indicators: n/a
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Control Number: n/a
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Draft Date: 13 sep 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
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Disposition History: n/a
Disposition Reason:
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SAS ID: 1453666
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Status: NATIVE
Subject: FOREIGN INVESTMENT
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vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/8a065851-c288-dd11-92da-001cc4696bcc
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